

FISCAL NOTE
HB 954 - SB 1343

March 14, 2005

SUMMARY OF BILL: Changes the request for proposal (RFP) process for construction management services initiated by a local board of education. Requires the RFP to be forwarded by mail, fax, or E-mail to any known construction industry associations located within the state and within a 100-mile radius of the county in which the project will be constructed. The RFP will in written form invite prospective bidders to participate. A contract for services will be awarded to the best-evaluated and responsive bidder. Cost will not be the sole criterion for evaluation but will be given at least 50% in the process. A construction manager's final negotiated price shall not exceed the proposed price by greater than 5%.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Fiscal impact will depend on the LEAs' labor and cost to notify and provide RFPs to all construction industry associations in the area and the amount of time to evaluate each bid package received versus any resultant savings due to any increase in competition. This cannot be determined and may vary from project to project. Considering the amount of funds involved in construction, any savings or increase in local government expenditures would likely be significant.

Assumptions:

- To require an LEA to invite prospective bidders through an RFP from every construction industry association within a 100-mile radius of the county in which the project will be located, could add a substantial amount of labor and expense to the LEA to send and review bid packages from all such construction industry associations.
- However, the expected increase in the number of bidders for a project could encourage competition and therefore, has the potential to lower construction costs.
- To the extent LEAs receive a lower bid price due to increased competition, any increase in costs because of the RFP process could be offset to some extent.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director